

Dawson, Ga., News
January 11, 1934

MORE GRAY PROVIDED No Discrimination Disclosed In FOR NEGRO FARMERS Investigation of Federal Farm Loan Agencies Operating In South

EQUITABLE SHARE OF CASH AND REPRESENTATION ON FEDERAL LOAN BODIES.

A group of negro leaders, constituting an advisory board of the department of commerce, have appealed "for an equitable share of federal funds" for negro farmers.

The board, which requested both more money and more representation for negroes on federal agencies dealing with them, was first named to discuss the vital needs of the negro. Later it was made permanent.

The commerce department has released a summary of the board's recommendations which said, in part:

"In certain sections of the far south negroes form the major part of the farming population. From this consideration it seems obvious that this large group of the population should have substantial representation in all planning for the improvement of the business of farming and should share fully in representation in all boards, bureaus and committees that affect directly the communities in which negro farmers live and work.

"In addition to an appeal for representation on the various price-fixing, planning and crop allotment board the board makes a further appeal for an equitable share of federal funds, made available for farmers, through the federal farm loan banks and the intermediate credit banks."

Immediate loans to needy farmers through the Farm Credit Administration established by President Roosevelt's executive order of May 27 may be obtained by Negro farmers provided they avail themselves of the channels set up for their relief. Inquiries from the Journal and Guide to a representative of the FCA seem to indicate that many Negro farmers received loans through the seed and feed service of the department of agriculture prior to the formation of the FCA.

Although separate records are not kept for Negroes by the present administration, inquiry shows, it is generally known that some race farmers have availed themselves of the services extended to needy farmers under the present organization.

To enable the administration to better serve Negro farmers, H. A. Hunt, head of the Fort Valley Industrial School, Fort Valley, Ga., was appointed special assistant to William I. Myers, governor of the FCA.

No Discrimination Known

Loans and other services are given to Negroes as readily as they are extended to other farmers. Membership in the production credit corporation through which loans are made is open to Negro farmers on the same basis as to the whites. Loans are made to both groups on the same terms.

A report furnished the Journal and Guide on loans to white and Negro farmers in Henry and Butts counties Georgia for 1933 throws some light on the operation of relief agencies for Negro farmers. There were, for example, in Henry County 503 loans direct to white farmers and 374 loans direct and 110 loans handled by landlords to Negro farmers. Of the total 987 loans made in the county, 484 or 49 percent were made to Negro farmers.

The Negro farmers received in all \$45,000 or 40.4 percent of the \$109,000 loaned to both groups.

51.4 Loans to Negroes

In Butts County there were 304 loans direct to white farmers and

225 loans direct to Negro farmers. There were also 97 loans to Negro farmers by landlords. Of the total 626 loans made in the county, 322 or 51.4 percent were made to Negro farmers.

The white farmers received \$27,000 and the Negro farmers received direct and through their landlords \$26,000 or 49 percent of the total advanced to both groups.

These loans under the old set-up were carried on through the county agents of the department of agriculture. Representatives of the service express the belief that it has been widely used by Negro farmers.

Represents Combined Service

The present Farm Credit Administration combines the services of all the former Federal agencies and functions dealing with agricultural credit. These changes were made for economy and efficiency in credit facilities to needy farmers.

Loans under the Farm Credit Administration are made through local banks, production credit associations embracing usually several counties. A prospective borrower must give satisfactory security, submit a financial statement provide a plan to repay the loan, buy the required amount of stock, and pay a small sum to cover the charges incidental to closing the loan.

While no loan can be made for less than \$50 nor for more than 50 percent of the capital and guaranty fund of the association without the approval of the production credit commissioner of the FCA who supervises the 12 production corporations and the production credit associations, money may be advanced to enable the borrower to join the production credit association as it required of every borrower.

Need Only 10 To Organize

Ten or more farmers may form a local production credit association after making the necessary application to the production credit corporation of their district provided they are eligible to borrow. A farmer is eligible if he devotes a part of his time to active farming or the management of farm operations or if he is so connected with farming operations that he will reap the benefits if they are successful, and will suffer if they are a failure.

The majority of the loans are made for one year and are expected to mature about the time for the marketing of the crops or livestock through the sale of which the loan is expected to be repaid. In certain cases,

however, that part of the loan unpaid when due may be renewed provided the security is still acceptable.

FCA Services Vary

Services under the FCA are varied in character and benefits. Federal land banks, for example, make loans to farmers through national farm loan associations of which prospective borrowers must be members. These borrowers must purchase stock in the association in an amount equal to five percent of their loans.

The loans may be made for the purchase of farming land, fertilizer, farm equipment or livestock. Localities without a national farm loan association may borrow direct from the Federal land bank.

Farmers may secure loans from the land bank commissioner to refinance old debts, to aid them in farming and to regain farm property lost by foreclosure after July 1, 1931. Such loans must not exceed \$5,000 to any one farmer.

Secretary-Treas. Handles Application
Secretary-treasurers of the national farm loan associations usually handle applications for both land bank and commissioners' loan.

There is in each of the 12 Federal land bank districts not only one Federal land bank but one federal intermediate credit bank, the latter of which extends credit to financing institutions such as production credit associations, state and national banks, livestock loan companies and agricultural credit corporations. Among the agricultural credit corporations one of the most useful to farmers is the farmers cooperative marketing association.

At present farmers seeking loans for seed or feed and crop production must apply to local production credit associations or to the land bank commissioner.

Sparta, Ga., Ishmaelite

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Colored Farmers Assured of Fair Deal In Fed. Aid

By I. M. AMYER

COLUMBIA, S. C.—One thousand five hundred Negro farmers in South Carolina heard H. A. Hunt, of the Farm Credit Administration, Washington, D. C., in company with H. E. Daniels, district agent, explain the service of the Farm Credit Administration.

Mr. Hunt spoke in Columbia at the county house to 500 farmers on March 21; in Anderson at the high school building March 22 to 450 farmers and in Spartanburg March 23 to 450 farmers. He spoke at length on the operation of the productive credit association.

Columbia is located in the third district which covers North Carolina, South Carolina, Georgia and Florida. While in Columbia Mr. Hunt called on Mr. Graham, president of the productive credit association, Mr. Scarborough, general field agent and Mr. Judson, treasurer for this district. These men assured Mr. Hunt that the Negro farmers would receive the same treatment and consideration as any other farmer.

Farmers To Receive Billion In U. S. Payments During '34

Farm Administration, With \$200,000,000 Used, Is Only Beginning To Approach Full Spending Stride.

By STEPHEN McDONOUGH.
WASHINGTON, April 22.—(AP)—American farmers, already enriched by nearly \$200,000,000, will pocket \$1,095,005,010 in benefit payments before the end of 1934.

On analysis of expenditures to be made by the farm administration during the present year in its wheat, corn, hog, cotton, tobacco, and dairy reduction program indicates that it has only begun to approach its spending stride.

Up to April the administration had paid \$19,702,685 to farmers who agreed to reduce their cotton, wheat, and tobacco acreage. Benefit payments to corn and hog farmers are just beginning to trickle out, the dairy program is in its formative stages, tobacco farmers have received only a portion of the money coming to them, and the second payment to wheat farmers is yet to be made.

The payments do not include the \$53,346,622 spent by the administration in purchasing pork, wheat, and dairy products for relief needs to eliminate surpluses and remove them as price-depressing factors from the market.

In the next eight months the administration will continue purchasing wheat and pork in reduced amounts, will make drastic surplus-reduction purchases of dairy products, and will enter the beef cattle market for the first time to make unestimated purchases for relief needs.

In addition the administration will purchase and destroy diseased dairy cows. A total of \$5,000,000 is provided in the Jones-Connally act for this purpose with the possibility that additional funds may be expended.

Indications are that the total benefit payments during 1934, including those already made, will be distributed by programs as follows: Corn-hog \$367,055,630; wheat, \$148,063,760; tobacco, \$35,415,000; cotton, including options held by growers, \$173,220,620; dairy, \$150,000,000; corn loans, \$111,250,000; cotton loans, \$110,000,000.

The distribution of money by sections of the country will be approximately as follows: Midwestern states, \$640,518,201; eastern states, \$40,836,039; southern states, \$344,938,856; western states, \$68,711,914.

A marked increase in benefit payments to corn-hog farmers this month and the money yet to be paid to wheat and tobacco farmers will swell total expenditures to about \$318,323,115 by April 30.

Wheat, tobacco, and cotton payments for other periods have been allocated approximately as follows:

From May 1 to July 30, \$205,586,065; from August 1 to November 15, \$194,190,680; from November 16 to February 28, 1935, \$179,872,540.

An additional \$150,000,000 to be spent under the dairy and beef cattle

program which is now being formulated was not allocated by periods and \$47,032,610 in cotton options could not be classified by the administration since it could not be determined when option holders would exercise them.